

No. Or . 7-31/2017

31 July 2017

Re Notification of Closing Register Book for Determining the Right of Unitholders to Attend Unitholders' Meeting and details for obtaining resolution of Unitholders of JC Leasehold Property Fund

Dear Managing Director
The Stock Exchange of Thailand

JC Leasehold Property Fund ("Fund") invested in the leasehold right in the partial areas of JC Kevin Tower A (excluding floors 16 – 19, roof deck and a parking lot for 163 cars) for a period of 30 years and the right to extend the lease for another 5 years ("Space Leasehold Right") from 4 December 2006 pursuant to the Office Lease Agreement dated 4 December 2006 between the Fund and JC Kevin Development Co., Ltd. ("JC Kevin Development"). The Space Leasehold Right is one piece of assets of the Fund.

Krungsri Asset Management Co., Ltd. ("Management Company"), in its capacity of the management company of the Fund, received a letter dated 16 June 2017 from JC Kevin Development, as the lessor and the owner of JC Kevin Tower A, to purchase the Fund's Space Leasehold Right in JC Kevin Tower A. The Management Company deems it appropriate to hold a meeting of unitholders of the Fund No. 1/2017 on 1 September 2017 at 10.00 a.m. at Renaissance Bangkok Ratchaprasong Hotel, Studio R2 Room, 4th Floor, located at 518/8 Ploenchit Road, Lumpini Sub-District, Pathum Wan District, Bangkok 10330 to consider the sale of the Space Leasehold Right and dissolution of the Fund after the sale of Space Leasehold Right with the following agenda:

Agenda 1 To consider and approve the sale of the Fund's Space Leasehold Right in JC Kevin Tower A

The Management Company hereby informs the information of the assets to be sold and voting for consideration in this Agenda as follows:

1. Background

The Management Company received a letter dated 16 June 2017 from JC Kevin Development to purchase the Space Leasehold Right under the Office Lease Agreement dated 4 December 2006 between the Fund and JC Kevin Development (previously known as VCAL Business Group Co., Ltd.). Thereafter, the Management Company sought out persons interesting to purchase the Space Leasehold Right by publicizing in Bangkokbiznews on 26-30 June 2017 and 6-7 July 2017 to invite interesting persons to propose the price to purchase the Space Leasehold Right. The submission of proposal was scheduled to be on 27 July 2017. At the end of the time period for proposing the price, none proposed the price to purchase the Space Leasehold Right competing with JC Kevin Development. However, the Management Company set forth a condition to obtain approval resolution from the Unitholders before selling the Space Leasehold Right to JC Kevin Development.

2. Matters requesting to consider and approve

The Management Company hereby requests the Unitholders consider whether to sell the Space Leasehold Right to JC Kevin Development.

3. Information for Consideration

3.1 Significant terms for sale of the Space Leasehold Right to JC Kevin Development are as follows:

Parties	<ol style="list-style-type: none"> 1. JC Leasehold Property Fund ("Seller") 2. JC Kevin Development Co., Ltd. ("Purchaser")
Assets to be purchased	<p>The leasehold right of partial areas in JC Kevin Tower A together with a parking lot as well as utilities and facilities in relation to JC Kevin Tower A. The total areas are approximately 13,462 square meters. The parking lot is for 287 cars. The leasehold right is under the Office Lease Agreement dated 4 December 2006 between the Fund and JC Kevin Development (previously known as VCAL Business Group Co., Ltd.)</p> <p>As of the date hereof, the remaining lease period is approximately 24 years 2 months (inclusive of the extended period of 5 years).</p>
Purchase Price	Baht 561,000,000 . The said price has not included the special business tax, value added tax, stamp duties, other tax and transfer fee.
Person responsible for tax and fee	The Purchaser is responsible for the special business tax, value added tax, stamp duties (if any) fee and expense for registration of juristic acts at the land office.
Conditions precedent of transfer of Space Leasehold Right	<ol style="list-style-type: none"> 1. The Purchaser has placed the deposit at 5 percent of the proposed price within 3 days after the resolution from the Unitholders has been passed. 2. The Purchaser has signed to receive the transfer of right and duties the Seller has with the lessees, service users and any other trading partners relating to the areas under the Space Leasehold Right. 3. The Unitholders has passed a resolution to sell the Space Leasehold Right.
Payment	<ol style="list-style-type: none"> 1. The deposit is a part of the purchase price. 2. The remaining price is paid on the date of transfer of the Space Leasehold Right which shall not exceed 3 months after the resolution has been passed.
Appropriation and Expense in relation to Space Leasehold Right	<ol style="list-style-type: none"> 1. The parties agree that the Purchaser has the right to receive the rental, service fee, benefit, expense and obligations under the Space Leasehold Right incurring from the lease agreements and service agreements on the transfer date of the Space Leasehold Right. The Seller is entitled to receive the rental, service fee, benefit, expense and obligations under the Space Leasehold Right to before the transfer date of the Space Leasehold Right. 2. The Seller is responsible for land tax and local tax including signage tax and other tax or any fee charged by local authority in relation to the Space Leasehold Right calculated proportionately to the date before the transfer date of the Space Leasehold Right. In case on the transfer date of the Space Leasehold Right, the tax has not been collected from the local authority, the Seller will pay the tax to the Purchaser at the rate of the preceding year on the transfer date of the Space Leasehold Right. The Seller is not responsible for the deficient tax or is not entitled to refund if the tax is overpaid.
Termination	Before the transfer date of the Space Leasehold Right, either party has the right to terminate this Agreement by notifying the other party in the case of the following events:

	<ul style="list-style-type: none"> (1) Either party is in default of the Agreement and does not remedy within 30 days after the other party has notified. (2) The law or regulations or orders of the authority has the following effect: <ul style="list-style-type: none"> (2.1) Any significant terms in this Agreement may not be implemented; or (2.2) The Purchaser or Seller may not be able to purchase or sell the Space Leasehold Right hereunder. (3) Either party becomes bankrupt, is ordered to be under an absolute receivership or rehabilitated or is in the process of liquidation or dissolution. (4) The law or regulation or order of any authority causes the performance of this Agreement to be illegal or prohibited.
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The Fund has not made a contract or an agreement with JC Kevin Development. After the Unitholders' meeting passes a resolution approving the Fund to sell the Space Leasehold Right to JC Kevin Development, the Management Company will arrange the Fund to enter into a contract with JC Kevin Development containing the significant terms stated above. If JC Kevin Development does not enter into the contract with the Fund for any reasons, the Fund may not demand or take legal actions against JC Kevin Development since the Fund and JC Kevin Development have no agreement each other.

(2) Information of JC Kevin Development Co., Ltd., the person proposing to purchase the Space Leasehold Right

(2.1) Name: JC Kevin Development Co., Ltd.
(Previously known as VCAL Business Group Co., Ltd.)
Address: 36 Naradhiwas Rajanagarindra Road, Yannawa Sub-District, Sathorn District, Bangkok.
Registered capital: Baht 800 million
Incorporation date: 10 July 1998
Business: real estate, hotel, office building, serviced apartment, condominium and food stores.

(2.2) Shareholding Structure
Number of shares: 8,000,000 shares
Par value: Baht 100
Shareholders:

1. Mr. Apichai Taechaubon, holding 2,500,000 shares or equaling 31.25 percent
2. Mrs. Chalida Taechaubon, holding 1,900,000 shares or equaling 23.75 percent
3. Mr. Chotiwit Taechaubon, holding 600,000 shares or equaling 7.5 percent
4. Mr. Paruewat Taechaubon, holding 600,000 shares or equaling 7.5 percent
5. Mr. Arkkarawin Taechaubon, holding 600,000 shares or equaling 7.5 percent
6. Mr. Attawut Taechaubon, holding 600,000 shares or equaling 7.5 percent
7. Mr. Napawee Taechaubon, holding 600,000 shares or equaling 7.5 percent
8. Miss. Oranut Taechaubon, holding 600,000 shares or equaling 7.5 percent

(2.3) Directors: 1. Mr. Apichai Taechaubon

2. Mr. Chotiwit Taechaubon
3. Mrs Sanitra Parapub
4. Mr. Arkkarawin Taechaubon

(2.4) Relationship with related persons

(2.4.1) JC Kevin Development is the owner of JC Kevin Tower A, over which the Fund has the Space Leasehold Right.

(2.4.2) Pursuant to the list of Unitholders as of 30 June 2017. JC Kevin Development holds units in the Fund in the amount of 5,000 units, or equaling 0.0081 percent of the units totally sold. The directors and shareholders of JC Kevin Development do not hold any units in the Fund.

(3) Details of the Space Leasehold Right

The Fund invested in the leasehold right of partial areas in JC Kevin Tower A together with a parking lot as well as utilities and facilities in relation to JC Kevin Tower A. The total areas are approximately 13,462 square meters. The parking lot is for 287 cars. (Floors 16 – 19, roof deck and a parking lot for 163 cars excluded). The lease period is 30 years with the right to extend the lease for another 5 years. The Fund invested in the Space Leasehold Right on 4 December 2006.

(4) Occupancy Rate

AIA Co., Ltd. and its subsidiaries used to be the major lessors of the Fund by leasing 6,317.24 square meters, or equaling 52.34 percent of the leasable areas invested by the Fund.

On 19 January 2017, AIA Co, Ltd. informed the Fund in writing not to extend the lease agreement and service agreement, which would expire on 30 June 2017. The Fund has informed the Unitholders through the online system of the Stock Exchange of Thailand pursuant to its letter No. Or 1-31/2017 dated 23 January 2017. As AIA Co., Ltd. and its subsidiaries did not extend the lease agreement and service agreement with the Fund, the Fund's income decreases by 35.50 million per year, equaling 78 percent of the total rental and service fee of the Fund.

At present, the areas in JC Kevin Tower A invested by the Fund remains 16 lessors. The areas having been leased out is 1,849 square meters, equaling 15.30 percent of the leasable areas of the Fund. The average rental rate is Baht 438.60 per square meter per month.

(5) The Fund's investment cost in the Space Leasehold Right

The Fund invested in the Space Leasehold Right and paid the rental for 30 years in advance in the amount of Baht 523,000,000 and made a deposit for exercise of right to extend the lease period of 5 years in the amount of Baht 87,000,000. The total investment amount is Baht 620,000,000. The Fund made the investment on 4 December 2006.

The appraisal value on the date the Fund made the investment is as follows:

	Thai Property Appraisal Lynn Phillips Co., Ltd.	Brooke Real Estate Co., Ltd.
Appraisal Date	8 June 2006	1 June 2006
Appraisal value	Baht 654,000,000	Baht 640,000,000
Appraisal approach	Income	Income

(6) Latest Appraisal Reports from Two Appraisers as follows:

	C.I.T. Appraisal Co., Ltd. (Colliers)	Edmund Tie & Company (Thailand) Co., Ltd. (EdmundTie)
Appraisal Date	27 June 2017	5 July 2017
Appraisal value	Baht 408,000,000	Baht 345,100,000
Appraisal approach	Income	Income
Discount rate	11.5%	11.5%
Period for appraisal	24 years 4 months	24 years 4 months
Assumption for conducting appraisal	Occupancy rate in year 1 = 15.32% Occupancy rate in year 2 = 24.87% Occupancy rate in year 3 = 47.44% Occupancy rate in year 4 onwards = 70%	Occupancy rate in year 1 = 16.8% Occupancy rate in year 2 = 23.3% Occupancy rate in year 3 = 42.8% Occupancy rate in year 4 = 57.5% Occupancy rate in year 5 onwards = 68%
Opinion of Management Company to the appraisal report	The appraisal is conducted according to the market need on office spaces, the availability of which is currently limited and need of which is high.	The appraisal is conducted from the present conditions which has depreciated for a certain level. The growth is thus quite slow.

The two appraisers are approved by the Office of Securities and Exchange Commission.

(7) Book value of the Space Leasehold Right as of 31 May 2017 : Baht 437,179,461.60 (equalling Baht 7.0512 per unit).

(8) Expense in relation to registration of leasehold right transfer to be responsible for the Fund: None

(9) Information of dividend payment of the Fund since from the set up date

No.	Closing date of Register Book to suspend the unit transfer	Date of distribution from decrease of unit value	Registered capital before decrease of unit value		Par value decreased (Baht per unit)	Unit value decreased (Baht per unit)		Dividend (Baht per unit)
			Registered capital (Baht)	Par value (Baht)		Registered capital (Baht)	Par value (Baht)	
1	19/5/11	3/6/11	620,000,000	10.0000	0.1780	608,964,000	9.8220	
2	14/3/12	28/3/12	608,964,000	9.8220	0.2096	595,968,801	9.6124	0.40
3	14/3/13	28/3/13	595,968,801	9.6124	0.1612	585,974,402	9.4512	0.46
4	14/3/14	28/3/14	585,974,402	9.4512	0.2096	572,979,202	9.2416	0.24
5	11/3/15	26/3/15	572,979,202	9.2416	0.2097	559,977,804	9.0319	0.19
6	16/3/16	28/3/16	559,977,804	9.0319	0.3870	535,983,804	8.6449	0.13

(10) Procedures of Sale of Space Leasehold Right

When the Unitholders pass a resolution to sell the Space Leasehold Right, subject to the conditions precedent under the Sale and Purchase Agreement, the Fund will register the transfer of the Space Leasehold Right to JC Kevin Development and receive the remaining purchase price. However, as JC Kevin Development is the owner of the JC Kevin Tower and the person leasing out JC Kevin Tower to the Fund, the transfer of the Space Leasehold Right to JC Kevin Development will cause JC Kevin Development to become the same person of the owner and the lessor, not

corresponding to the principle of laws that the owner and the lessor shall be the different person. This will cause the land officer to deny registration of transfer of the Space Leasehold Right. In case the land officer denies the registration of transfer, the Fund will register the termination of the Space Leasehold Right instead of registration of transfer of the Space Leasehold Right on the condition that JC Kevin Development shall pay the price for termination of the Space Leasehold Right equal to the remaining purchase price of the Space Leasehold Right.

(11) List of first 10 Unitholders and their unitholding as of 30 June 2017

No	Unitholders' Names	Number of Units	Percent
1	Government Savings Bank	61,969,870.00	99.9514
2	JC Kevin Development Co., Ltd.	5,000.00	0.0081
3	Miss Pornsawan Sinkaew	3,000.00	0.0048
4	Mrs. Sasithorn Sirisalipoch	2,000.00	0.0032
5	Miss Sunee Wongwaisayawan	2,000.00	0.0032
6	Mr. Sakulrat Phothiwat	2,000.00	0.0032
7	Miss Janphen Euangpoolsawat	1,500.00	0.0024
8	Mr. Surapong SaeHeng	1,000.00	0.0016
9	Miss Nalinchaya Hadintong	1,000.00	0.0016
10	Miss Suwimol Boonmanawong	1,000.00	0.0016

(12) Performance of the Space Leasehold Right and business risk in the future
Unit: Baht

	2014	2015	2016	2017*
Occupancy rate	63.5%	68.1%	68.51%	15.3%
Average rental per square meter	467.00	439.84	440.41	438.60
Income	50,659,993	56,953,181	55,899,932	31,577,279
Operating expense	25,661,086	24,253,326	23,413,346	19,958,300
EBITDA	24,998,907	32,699,855	32,486,585	11,618,979

* 2017 is the figures estimated by the Management Company

Business Risk

At present, the lease and service agreement with the major lessor has been terminated, and extension of the lease and service agreement is not made. This causes to significantly decrease the occupancy rate and the Fund's income from the rental and service fee. The Fund contacted many agencies to seek persons interesting in the unoccupied areas. However, no persons are interested in leasing the areas due to major reasons i.e. the heavy traffic jam in front of JC Kevin Tower in the morning and evening and the location of JC Kevin Tower remoted from Chongnonsee BTS Station about 800 meters which is beyond walking within a short period of time as well as wear and tear of the tower.

(13) Estimation of expense to obtaining the resolution and lawyer fee for preparing the contract with JC Kevin Development and for implement of the contract

The expense of obtaining the resolution of approval from the Unitholders for this sale of the Space Leasehold Right consists of cost of printing, postal service, closure of Unitholders register book, lawyer fee and other relevant expense. Such expense will be charged to the Fund regardless of whether the Unitholders will pass a resolution to sell the Space Leasehold Right or not. In addition, if the Unitholders' meeting passes a resolution to sell the Space Leasehold Right, there will be lawyer fee for preparing the contract with JC Kevin Development and for implement of the contract as well as for registration of relevant juristic acts at the land office. The said lawyer fee will be charged to the Fund.

4. Opinion of Management Company

Comparing the proposed purchase price of JC Kevin Development in the amount of Baht 561,000,000 (FivehundredandsixtyonemillionBaht) with the appraisal value of the two appraisers, the proposed purchase price is higher than the lowest appraisal value by approximately 62.56 percent and higher than the remaining investment cost. That is the investment cost of the Fund in the Space Leasehold Right is Baht 523,000,000 for the lease period of 30 years with the average rental at Baht 17,433,333 per year. The Fund has utilized the areas for about 11 years, equalling Baht 191,766,667. The value remained from the set up date is Baht 331,233,333, where the proposed purchase price is higher by approximately 69.37 percent. This is the benefit to the Unitholders to immediately realize the gain from the investment.

There remain only 16 lessors. The areas having been leased out is 1,849 square meters, equaling 15.30 of the total areas of the Fund. The average rental is Baht 438.60 per square per month. This indicates the significantly decreased ability of the areas to seek benefits. From the discussion of the business risk above, as no persons are interested in leasing the areas, this is a limitation on generating income of the Fund. In addition, inside and outside of the tower is worn out according to the passage of time, causing the tower not being interested. The rectification of such limitation is to improve the landscape of both inside and outside of the tower. However, the actions have high cost and issues of sharing expense between the Fund and JC Kevin Development as the owner. The conception of the Fund and JC Kevin Development to improve the landscape is different. The Fund has limitation on investing in improvement taking into account of appropriateness and worthiness of such investment due to the leasehold right nature. JC Kevin Development has the less limitation than the Fund and may invest in improvement as needed as the owner.

Despite the improvement of the tower, the Management Company may not guarantee that there will be lessors as expected. The management of unoccupied areas of 10,233 square meters requires more than 3 years to recover the occupancy rate (approximately 70 percent). The Management Company may not anticipate when new lessors will fully fill up the unoccupied areas.

In addition, the Management Company publicized in the newspaper on 26 – 30 June 2017 and 6 – 7 July 2017 to invite interesting persons to propose the price to purchase the Space Leasehold Right to get the best price. None proposed the price to purchase the Space Leasehold Right. This indicates that the proposed purchase price of the JC Kevin Development is the best price available at this time.

From the above, the Management Company is of the opinion that the sale of the Space Leasehold Right to JC Kevin Development benefits the Fund and Unitholders as a whole and therefore that the Space Leasehold Right should be sold to JC Kevin Development.

5. Voting

The resolution in this Agenda requires the affirmative votes from the Unitholders representing more than half of the total units sold.

The Unitholders having interest and no right to vote in this Agenda: JC Kevin Development Co. Ltd., holding units in the Fund at the number of 5,000 units, equaling 0.0081 percent of the total units sold.

Agenda 2 To consider and approve the dissolution of the Fund and delisting Units from being listed securities on the Stock Exchange of Thailand

If the Unitholders' meeting passes the resolution in Agenda 1 to approve the Fund to sell the Space Leasehold Right to JC Kevin Development, the dissolution of the Fund and delisting the Units from being the listed securities on the Stock Exchange of Thailand will be then considered.

The Management Company hereby informs the information for consideration in this Agenda as follows:

If the Unitholders' meeting passes the resolution in Agenda 1 to approve the Fund to sell the Space Leasehold Right to JC Kevin Development, the Fund will not have any remaining assets and recurring income except for the cash from sale of the Space Leasehold Right. Under the notification of the Office of Securities and Exchange Commission No. Sor Nor 25/2552 ("Sor Nor 25/2552"), Clause 38, the Fund must maintain the ratio of investment in real estate or real estate leasehold right in the total amount of not less than 75 percent of the net asset value of the Fund at the end of every fiscal year except for:

- (1) the last fiscal year before the end of the project's period.
- (2) reasonable and necessary cause and relaxation from the SEC Office being obtained.

The Management Company shall apply the proceeds from sale of the Space Leasehold Right to invest in real estate in order for the Fund to have the ratio of investment in real estate or real estate leasehold right in the total amount of not less than 75 percent of the net asset value of the Fund at the end of every fiscal year. The Fund's fiscal year is from 1 January to 31 December. The Fund does not need to do so if the Unitholders pass a resolution not to apply the proceeds to re-invest and dissolve the Fund and distribute the proceeds from sale of the Space Leasehold Right and the remaining cash to the Unitholders.

The Management Company hereby clarifies that real estate the Fund may invest in must be that which is completely constructed and in the condition appropriate for seeking benefit. If the construction is not completed, the progress of construction must not be less than 80 percent of the project (SorNor 25/2552, Clause 36 (3) (a)). The real estate the Fund may invest in must be the type of (1) office buildings (2) trade centers (3) factory buildings for lease in industrial estate, industrial zone or industrial park (4) warehouses (5) residential buildings such as service apartments, condominiums, dormitories and houses etc. (6) hotel buildings (7) conference center or exhibition center buildings (8) large distribution center (9) other construction as added by the resolution of the Capital Market Supervisory Board (Sor Nor 25/2552, Clause 37).

If the Unitholders' meeting passes a resolution to dissolve the Fund and delist the units from being listed securities on the Stock Exchange of Thailand, the Management Company will act as the liquidator of the Fund.

The Management Company hereby additionally informed that since there are uncashed checks paying dividends and proceeds from capital decrease issued to approximately 225 unitholders, the Fund will need to deposit these checks with the depository office to complete the liquidation of the Fund. This process will incur expense of hiring lawyers or legal counsels and other expense such as deposit fee, expense of obtaining identification documents of the Unitholders, travelling expense to the depository office where the Unitholder domiciles in its jurisdiction. The expense of deposit is a part of liquidation expense of the Fund and may significantly affect the amount of proceeds to be distributed to the Unitholders due to the high number of the Unitholders not cashing the checks, causing the high amount of expense and lawyer fee.

Matters requesting to consider and approve

The Management Company hereby requests the Unitholders to consider whether to dissolve and delist the Units from being listed securities on the Stock Exchange of Thailand. If the Meeting passes a resolution not to dissolve the Fund or no resolution to dissolve the Fund is passed, the Management Company will apply the proceeds from the sale of the Space Leasehold Right to make the investment as appropriate. At present, the Management Company does not have target assets for investment.

Management Company's Opinion

Upon selling the Space Leasehold Right, the Fund will have no any assets remained. Also, the Management Company does not have target assets for investment. The Management Company is of the opinion to dissolve the Fund and delist the Units from the Stock Exchange of Thailand.

If the Meeting passes a resolution to dissolve the Fund, the Management Company anticipates the period and process of selling the Space Leasehold Right to JC Kevin Development and dissolution and liquidation of the Fund as follows:

Process	Timing***
• Registration of transfer of Space Leasehold Right or termination of Space Leasehold Right (in case the land officer denies registration of transfer of Space Leasehold Right) with JC Kevin Development	Within November 2017
• Closure of unitholder register book to determine the Unitholders' right to receive the return	Within 7 days after transfer of Space Leasehold Right or termination of Space Leasehold
• Dissolution of the Fund	Within 1 month after Closure of unitholder register book
• Delisting the Units from the Stock Exchange of Thailand.	Within 1 month after Closure of unitholder register book
• Payment of partial return and surplus* (or profit sharing/dividend) to the Unitholders and setting aside certain amount of proceeds to pay the outstanding debts of the Fund and the expense for liquidation and deposit	Within December 2017
• Conduct the deposit	Within July 2018
• Payment of remaining return** to the Unitholders	Within August 2018
• Registration of dissolution with the SEC Office	Within August 2018

* *Return and surplus are calculated from the proceeds from sale of Space Leasehold Right and performance of the Fund in the preceding year deducting expense for managing the Fund (management fee and registrar fee calculated until December 2017), deposit expense, liquidation expense. Upon calculating the exact amount, the Management Company will inform the Unitholders.*

** *Remaining return is the final amount after deducting expense of the Fund (if any).*

*** *The above timing may vary as the Management Company deems appropriate.*

Voting

The resolution in this Agenda requires the majority affirmative votes from the Unitholders calculating from the total units sold.

The Unitholders having interest and no right to vote in this Agenda: None

The Management Company will send the notice of Unitholders' Meeting to the Unitholders and the Stock Exchange of Thailand before the meeting date 14 days in advance.

Therefore, the Management Company hereby notifies the date of the closing of the Unitholders register book to suspend the transfer of investment units for determining the right of Unitholders to attend the Meeting on 15 August 2017.

Please be informed accordingly.

Yours sincerely

(Miss Siriporn Sinacharoen)
Managing Director